

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:924
ANSWERED ON:25.07.2003
NATURAL DISASTER MANAGEMENT MECHANISM
CHANDRA NATH SINGH;NIVEDITA MANE

Will the Minister of FINANCE be pleased to state:

- (a) whether World Bank had warned that natural disaster posed a major threat to India's economic development, inflicting losses amounting to \$13.8 Billion during 1996-2001 and eroding two per cent of the GDP.
- (b) if so, the reaction of the Union Government thereto; (
- (c) whether the World Bank had also criticised the Government for inadequate disaster management mechanism and proposed further liberalisation of insurance market to enable public and private insurers to take care of such colossal risks; and
- (d) if so, the reaction of the Union Government thereto and the further steps likely to be taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

- (a) In a seminar on Natural Disaster Management organised by the Federation of Indian Chambers of Commerce and Industry (FICCI) on June 25-26, 2003, a presentation entitled 'Financing the Risks of Natural Disasters' by Eugene N. Gurenko, Senior Insurance Officer of the World Bank, contained yearly estimates of Catastrophe Losses in India during the period 1965-2001.
- (b) Government has been making concerted efforts to minimise the damages caused by natural disasters through appropriate policy interventions such as rescheduling of releases from the National Calamity & Contingency Fund (NCCF) and Calamity Relief Fund (CRF) and implementation of programmes such as Special component of Sampoorna Grameen Rozgar Yojana (SGRY), Desert Development Programme (DDP), Drought Prone Area Programme (DPAP), Accelerated Rural Water Supply Programme (ARWSP) etc.
- (c) In the above mentioned seminar, Gurenko of the World Bank in another presentation on 'Catastrophe Risk Management in India' mentioned that the 'Do Nothing' approach is no longer a viable risk management strategy and advocated comprehensive catastrophe risk management framework at the country level to deal effectively with risk of natural disasters.
- (d) The suggestions made by professional organisations and individuals are kept in view by the Government while formulating appropriate policies.